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C O N F I D E N T I A L SECTION 01 OF 04 SHENYANG 000068

SIPDIS

DEPARTMENT FOR EAP/CM, EAP/K, PRM

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SUBJECT: DPRK FOOD TROUBLES AND PRC-DPRK RESPONSES: VIEWS
FROM THE CHINESE BORDER

REF: A. (A) SHENYANG 67
 1B. (B) SHENYANG 37
 1C. (C) 07 SHENYANG 244
 1D. (D) 07 SHENYANG 205
 1E. (E) 07 SHENYANG 178
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 1I. (I) 07 SHENYANG 31

Classified By: ACTING CONSUL GENERAL ROBERT DEWITT.
REASONS: 1.4(b)/(d).

1. (C) SUMMARY: PRC-DPRK border contacts agree that the DPRK's food situation is more dire than in recent years, but remain divided on the question of severity, with some contending conditions are "not as extreme as being reported in the West." North Korean diplomats and other officials have acknowledged food-supply "difficulties" to a number of our Chinese contacts. Local officials in northeastern DPRK recently contacted an NGO source to request special aid, citing serious difficulties this year. The North Korean Consulate in Shenyang has apparently bolstered efforts to solicit assistance via civilian channels. Food/monetary assistance from Chinese relatives in northeast China; informal cross-border trade and smuggling; and, perhaps, off-the-books aid from local PRC border officials have likely helped ease--though only to a limited extent--some difficulties in parts of borderland North Korea. END SUMMARY.

2. (C) Poloff traveled May 12-16 to Jilin Province and the northern end of the PRC-DPRK borderlands. Sites visited included Changchun, capital of Jilin Province; Yanji, seat of the Yanbian Korean Autonomous Prefecture; Tumen, opposite the DPRK's Namyang; and Hunchun, near China's land gateway to Rajin-Sonbong (Rason). This is the second in a multi-part snapshot of the PRC-DPRK border in April/May 2008. Part one (ref A) focused on surging prices in North Korea, squeezed aid groups there, and the impact of PRC grain-export restrictions. Subsequent parts examine border-crossers and the tightening border, inter alia.

PRC CONTACTS ON NORTH KOREAN FOOD TROUBLES

13. (C) PRC government scholars and border officials believe that the DPRK's food situation this year is far more dire than in recent years, but remain divided on the question of magnitude. CHEN Longshan (STRICTLY PROTECT) and ZHANG Yushan (STRICTLY PROTECT), two well-regarded North Korea experts at the Jilin Academy of Social Sciences (JASS), told Poloff May 12 in Changchun that they estimate a DPRK food shortfall this year of roughly 1.5 million metric tons, a situation causing "difficulties" internally. But they insisted conditions in North Korea are "not as severe as being reported in the West." (NOTE: Several contacts in Liaoning and Jilin have told Poloff that ZHANG Feng, a colleague of Chen and Zhang's at JASS, is currently spearheading a classified study on the DPRK's food situation, funded by the national Chinese Academy of Social Sciences; it is unclear to what extent, if any, her findings may be informing their judgments here. END NOTE.)

14. (C) Official PRC food aid remains one major factor moderating this year's food shortages, according to the two government researchers. Another is the role of PRC-DPRK trade and official/unofficial border interchange--an "important channel" that has helped "ease," though not "resolve," difficulties, especially in the DPRK's northern reaches, said Zhang. A senior Yanbian port-authority official echoed similar sentiment May 15 in Yanji. His North Korean interlocutors acknowledged that this year is "definitely" worse than the past several years, but he "hears"--he did not say how--that North Korean localities close to the Chinese border are faring better than interior

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provinces because of proximity to China. Geography, contended the official, affords borderland areas access to informal channels of assistance. These, the official said, can include, inter alia: cross-border smuggling networks; food and/or monetary donations from Yanbian-based family members; and official or unofficial Chinese aid.

15. (C) North Korean diplomats in Shenyang acknowledged food-supply "difficulties" during recent discussions with the Liaoning Academy of Social Sciences' LU Chao (STRICTLY PROTECT), the DPRK expert told Poloff April 28. Lu, a longtime Post contact and former IVLP grantee, also maintained that his North Korean interlocutors waxed hopeful in April about the possibility of U.S. food aid. LIU Chensheng (STRICTLY PROTECT), a trade official-turned-businessman who facilitates PRC investment in North Korea via the Liaoning Civilian Entrepreneur Association's Korean Liaison Office, confirmed North Korean talk of food shortages. Liu told Poloff April 29 that during recent visits of North Korean delegations to Shenyang, some of his North Korean contacts acknowledged recent food-supply difficulties. Details, however, have been difficult to come by, he added.

16. (C) Tumen Foreign Affairs Office Director CUI Zhenglong (STRICTLY PROTECT) lamented that assessing the food situation proved difficult during his recent trips to Namyang and Onsung County, where he met with North Korean officials. The reluctance of his counterparts to discuss the food situation, as well his minimal contact with local North Korean residents there, made any meaningful judgment elusive. He observed only that meals served by his North Korean counterparts recently in Namyang relied heavily on rice, with comparatively less accompanying meat or vegetables.

WESTERN NGO CONTACTS ON NORTH KOREAN FOOD TROUBLES

17. (C) The assessments of Western NGO contacts involved with humanitarian projects in North Korea varied similarly. At Yanji's Yanbian University of Science and Technology (YUST), a Western administrator involved in several of the university's aid projects in northeastern North Korea claimed that some borderland localities are facing food

difficulties. The administrator told Poloff May 14 that "recently"--for the first time ever--a number of local North Korean officials with whom the school maintains preexisting aid projects contacted YUST directly to request additional aid, explaining that difficulties are serious this year. The administrator noted that even during recent lean years, North Korean officials never contacted YUST directly for such assistance. In Tumen, one longtime Western resident engaged in North Korea-related humanitarian work for several years now, claimed May 14 that he had "heard"--indirectly through friends in contact with North Koreans--that residents in harder-hit areas are eating only two meals a day. He had "heard" hunger problems in the heartlands were spreading farther north, but had no details or supporting evidence.

¶8. (C) A Yanbian-based, Western aid worker lately returned from one of her many stays in Rason--where she is involved in a humanitarian project--noted that food supply there remained hard to gauge. Anecdotally, she related May 16 that the area's restaurants did not lack for food/customers during very recent visits, nor did the area's markets. But rapidly surging prices, she said, have severely eroded the purchasing power of the project's North Koreans laborers (ref A). When asked of food conditions outside Rason, she replied that reliable information even among local NGOs was difficult to obtain. A Yanji-based, Korean-speaking Amcit recently returned from North Korea shared similar sentiments May 14; a two-week stay in Pyongyang, he said, offered him little sense on food problems there, except a clear indication of rising prices in the city's food

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markets.

NORTH KOREAN, CHINESE RESPONSES--ANECDOTALLY

¶9. (C) Externally, the DPRK has been responding to recent food-supply difficulties in a number of ways, said contacts. Most pointed to North Korean requests for official food aid from China/other countries, as well as exploitation of PRC-DPRK border interchange. Some mentioned open-market procurement abroad. Others highlighted North Korean businessmen soliciting "donations" from private producers (e.g., in Thailand and Vietnam) to enhance domestic supply (ref B). The North Korean Consulate in Shenyang, meanwhile, has also bolstered its own efforts to solicit assistance via trade and/or civilian channels, according to LASS' Lu Chao.

¶10. (C) Another external source frequently mentioned is informal cross-border food/monetary assistance from Chinese family members. Many ethnic Koreans in Yanbian still have family in North Korea; some ethnic Korean Chinese--like those now in their 70s--were even born in present-day North Korea, related one contact. China-based relatives, at least in Yanbian, generally might offer monetary assistance only once or twice per year, typically during cross-border family visits, explained one Yanbian contact, a decades-long resident of the prefecture. A typical "gift" might range from USD 15 to USD 200 (often given in USD), depending on the donor-family's financial health. Yanbian families often do not have the means or perhaps the desire to give more, noted the contact. Yanbian demographic trends, incidentally, may not be working in North Koreans' favor on this front, observed another contact. Because of generational change and the significant exodus of many young ethnic Koreans from borderland Jilin to other Chinese provinces or even South Korea seeking employment opportunities, younger generations of Chinese Koreans, he speculated, may eventually harbor more shallow emotional ties than earlier generations to DPRK-based family members.

¶11. (C) Some PRC border officials in the past have been able to donate limited quantities of food to DPRK localities informally without reporting to Beijing, but

Poloff was unable to confirm whether this has occurred in recent months. A well-positioned senior Yanbian official with direct experience on this front declined to confirm whether prefectural officials shipped off-the-books assistance across the border over the past several months, but in discussions in Yanji May 15, he confirmed the practice in general terms and offered a hypothetical "example" of past transactions. Speaking hypothetically, the official mentioned that Yanbian Prefecture's Party Secretary or government chief, while visiting a local North Korean mayor or provincial governor across the border, might bring along "a few tons" of grain, or fuel to leave behind in a face-saving manner that would not offend the North Koreans. Offering limited quantities is possible, but Chinese border officials cannot finesse giving "lots," said the official, explaining that they must not pique Beijing's ire by undercutting PRC policy toward the DPRK.

¶12. (C) Unofficial cross-border trade and/or smuggling, at times benignly neglected by the PRC, remains another external source easing North Korean food difficulties, according to contacts in Shenyang, Yanji and Changchun. LASS' Lu Chao, for instance, contended that Chinese officials in the borderlands overlook smuggling, in part because they are simply unable to control it. Paradoxically, despite its highly destabilizing impact (e.g., cross-border human smuggling, drug trafficking), smuggling of food and other items also helps reinforce stability on the North Korean side, a point not lost on the DPRK or PRC officials, said Lu. Corroborating previous post reporting on cross-border smuggling (refs C-I), Lu, a

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Korea specialist who has researched border-security issues in depth, pointed to the North Korean military's prominent role in cross-border smuggling near Dandong and Sinuiju. Lu also claimed that a number of North Korean government departments (e.g., Ministry of Education) also have their own cross-border smuggling networks, which they use to procure food from China. Yanbian contacts emphasized, however, that because most cross-border smuggling is limited in quantity, its impact--while most likely helping "ease" difficulties in certain border areas--is still limited.

DEWITT